Service Master (M) Sdn Bhd v MHL ServiceMaster Sdn Bhd & Anor and another application

HIGH COURT (KUALA LUMPUR) — SUIT NO D5-22-555 OF 1995 CONSOLIDATED WITH ORIGINATING MOTION NO D1-21-1 OF 1996
KAMALANATHAN RATNAM JC
14 JULY 1997

Trade Marks *— Passing off — Elements of — Similarity in trade names — Whether ingredients of goodwill, misrepresentation and damage present — Whether an action in passing off could have arisen even though the defendant has yet to commence business at time of filing of the writ — Whether plaintiff's name had lost its distinctiveness — Whether plaintiff's name had acquired secondary meaning*

Trade Marks *— Passing off — Similarity in trade names — Counterclaim by defendant for declaration that it was the sole and exclusive owner of trade name — Whether plaintiff could be restrained from using name — Whether there was evidence that defendant was the first user of the trade mark in Malaysia*

Trade Marks *— Registered trade mark — Expungement — Application for — Whether plaintiff was an aggrieved person — Whether there was bona fide use in good faith of the registered trade mark — Trade Marks Act 1976 s 46(1)(b)*

The plaintiff was involved in the business of, inter alia, the provision of air-conditioning systems and electrical installations. The plaintiff asserted that since its incorporation in 1989, it had established a strong goodwill and reputation through its business operations. On 31 October 1992, the plaintiff formed a partnership with ESYS-Montenay, a French multi-national company specializing in the fields of energy and environmental management. On or about 14 July 1994, the first defendant changed its former name and adopted the present name. The plaintiff filed a writ against the first defendant for passing off, claiming that by adopting the business name 'MHL ServiceMaster Sdn Bhd', the first defendant had passed off or attempted to pass off its business for that of the plaintiff and the resulting confusion caused the plaintiff to suffer actual loss with respect to damage to its goodwill. The first defendant, however, did not commence any business until after this action was filed. The first defendant argued that its change of name was done with the consent and/or licence of 'The ServiceMaster Co Ltd Partnership' ('the second defendant') and that the second defendant was the first to use 'ServiceMaster' as a trade mark and name in Malaysia. The first defendant also claimed that its trade name was sufficiently dissimilar to that of the plaintiff's to cause any confusion. Furthermore, the first defendant claimed that the plaintiff and the defendant were in different fields of business activity. The second defendant was granted its application to be made a party to the suit between the plaintiff and the first defendant. The plaintiff filed an application to expunge the trade mark registered by the second defendant from the Register of Trade Marks for non-use. To support its application, the plaintiff also produced at cross-

examination a report detailing the results of a survey carried out by the plaintiff regarding the second defendant's trade mark. The second defendant counterclaimed for a declaration that it was the sole and exclusive owner of the mark 'Service Master' and sought an injunction to restrain the plaintiff from using the 'Service Master' word or any similar variation of it as a trade mark in Malaysia. The second defendant alleged that it had been conducting business in Malaysia since 1964. The only evidence which purportedly sought to prove this was a statutory declaration affirmed in November 1967 in support of the second defendant's trade mark application in Malaysia.

Held, dismissing both the claim and the counterclaim:

(1) After the second defendant applied to include itself as a party, the plaintiff did not amend its statement of claim to proposition a claim against the second defendant. The plaintiff's case was therefore confined to the first defendant. Since the plaintiff submitted that no business was commenced by the first defendant until after the writ was filed, the claim must fail in limine against the first defendant. The cause of action against the first defendant could not have arisen until after the first defendant's commencement of business (see pp 386I, 387A and 389B, E).

(2) In the law of passing off, the ingredients of goodwill, misrepresentation and damage must be present. Even assuming the plaintiff could prove goodwill, if the first defendant had not commenced business until after the issuance of the writ, the plaintiff's claim must fail as misrepresentation and damage were not present. The sole act of changing the name could not constitute an act of passing off (see p 389F–G).

(3) Since the association with ESYS-Montenay was widely used and advertised, there was a clear dilution of the plaintiff's goodwill in the 'ServiceMaster' name and a build up of the goodwill in the ESYS-Montenay name. By this extensive association, the plaintiff's name had lost its distinctiveness and the plaintiff was unable to show to which name the public attached significance and whether it still had significance at all. In any event, there was a failure by the plaintiff to show goodwill in the relevant trade and business which was that of the provision of management and healthcare services. Even if the plaintiff had shown goodwill (which the court did not so find), it was confined to the field of air-conditioning (see p 391A–F).

(4) The plaintiff had also failed to show that there was misrepresentation and a likelihood of confusion where the public would think that the defendants were the plaintiff because the defendants' name was preceded with the letters 'MHL'. Furthermore, the words Service Master were descriptive of the plaintiff's business and could not be distinctive. Therefore, the plaintiff had to show that a 'secondary meaning' had been acquired in law such that the public associated the name with them.

Where a trader chooses a name which describes his product or business, a secondary meaning must be shown. For this to happen, the evidence must be far more substantial in that the plaintiff must show several years of use and business which resulted in the public associating the name with the plaintiff. The plaintiff had failed to show that its name, albeit descriptive, had acquired a secondary meaning (see pp 391G–I and 392A, H).

(5) The plaintiff had shown no evidence of the possibility of loss of sales. In fact, there had been no loss. The plaintiff had shown no inferior services or products by the defendants nor had it shown how there could be an erosion of its name. Therefore, there was no likelihood of damage that the plaintiff might suffer (see pp 392I and 393A–C).

(6) To succeed in its application for expungement of the second defendant's trade mark, the plaintiff had to show that: (a) it was an aggrieved person; and (b) throughout a continuous period of three years ending on 17 May 1996 (one month prior to the filing of the originating motion) there was no use in good faith of the trade mark in relation to those goods by the second defendant or the registered users of the trade mark.

The plaintiff was not an aggrieved person as there was no possible or 'practical' damage to the plaintiff if the trade mark was allowed to remain in the Register. The second defendant's trade mark was registered in respect of cleaning and renovating preparations for room furnishing and interiors of buildings. The plaintiff did not trade in such business but was involved in the air-conditioning installation and maintenance business. It followed that the existence of the trade mark did not damage nor pose any likelihood of damage to the plaintiff as there was no conflict in the goods nor in its field of business activity (see p 394E–G); *Besalon International Ltd & Ors v South Strong Industries Sdn Bhd* [1997] 2 MLJ 131 and *In the matter of the Trade Mark No 70,078 of Wright Crossley & Co* (1898) 15 RPC 131 followed.

(7) The plaintiff's survey failed to meet most of the criteria required for a survey to have validity. Due to the numerous defects in the conduct of the survey as well as in its reporting, the report ought to be rejected (see p 397C); *Lim Yew Sing v Hummel International Sports & Leisure A/S* [1996] 3 MLJ 7 followed.

(8) The statutory declaration affirmed in November 1967 was not supported by any other exhibits such as invoices or shipping documents evidencing the use of the mark in Malaysia. The statutory declaration could be a mere document filed to overcome the Registrar's objection as to the registrability of the descriptive words 'ServiceMaster' as a trade mark. There was no other evidence to support the second defendant's allegation that it had been conducting business in Malaysia since 1964. In all the

circumstances and having considered all the facts, the court was satisfied that the second defendant's counterclaim ought to be dismissed (see pp 397E–I and 400D–E).

[Bahasa Malaysia summary

Plaintif terlibat dalam perniagaan, antara lain, pembekalan sistem hawa dingin dan pemasangan elektrik. Plaintif menegaskan bahawa sejak pemerbadanannya pada tahun 1989, ia telah mewujudkan nama baik dan reputasi yang kukuh menerusi kegiatan perniagaannya. Pada 31 Oktober 1992, plaintif membentuk perkongsian dengan ESYS-Montenay, sebuah syarikat multinasional Perancis yang mengkhusus dalam bidang pengurusan tenaga dan alam sekeliling. Pada atau sekitar 14 Julai 1994, defendan pertama menukar namanya yang dahulu dan menerimapakai nama sekarang. Plaintif memfailkan satu writ terhadap defendan pertama kerana menyelirupa, dengan menuntut bahawa dengan menerimapakai nama perniagaan 'MHL ServiceMaster Sdn Bhd', defendan pertama telah menyelirupa atau cuba menyelirupa perniagaannya sebagai perniagaan plaintif dan akibatnya telah menyebabkan plaintif mengalami kerugian sebenar berhubung dengan kerosakan kepada nama baik. Namun demikian, defendan pertama tidak memulakan apa-apa perniagaan sehingga selepas tindakan ini difailkan. Defendan pertama berhujah bahawa pertukaran namanya dilakukan dengan kebenaran dan/atau lesen 'The ServiceMaster Co Ltd Partnership' ('defendan kedua') dan bahawa defendan kedua adalah pihak pertama untuk menggunakan 'ServiceMaster' sebagai satu tanda niaga dan nama di Malaysia. Defendan pertama juga menuntut bahawa tanda niaganya berbeza dengan secukupnya daripada tanda niaga plaintiff dan tidak menyebabkan apa-apa kekeliruan. Tambahan pula, defendan pertama menuntut bahawa plaintif dan defendan berada dalam bidang kegiatan perniagaan yang berlainan. Permohonan defendan kedua supaya dijadikan pihak kepada guaman di antara plaintif dan defendan pertama telah dibenarkan. Plaintif memfailkan satu permohonan untuk memadamkan tanda niaga yang didaftarkan oleh defendan kedua daripada Pendaftar Tanda Niaga kerana tiada penggunaan. Untuk menyokong permohonannya, plaintif juga mengemukakan satu laporan yang memberi butir-butir tentang tinjauan yang dijalankan oleh plaintif di pemeriksaan balas berkaitan dengan tanda niaga defendan kedua. Defendan kedua menuntut balas untuk satu perisytiharan bahawa ia adalah pemilik tunggal dan eksklusif tanda 'Service Master' dan meminta injunksi untuk menahan plaintif daripada menggunakan perkataan 'Service Master' atau mana-mana kelainan yang serupa dengannya sebagai tanda niaga di Malaysia. Defendan kedua mengatakan bahawa ia telah menjalankan perniagaan di Malaysia sejak tahun 1964. Satu-satunya keterangan yang kononnya membuktikan ini adalah satu perisytiharan statutori yang diikrarkan pada November 1967 bagi menyokong permohonan tanda niaga defendan kedua di Malaysia.

Diputuskan, menolak kedua-dua tuntutan dan tuntutan balas: A

(1) Selepas defendan kedua memohon supaya ia sendiri dimasukkan sebagai suatu pihak, plaintif tidak meminda pernyataan tuntutannya untuk mencadangkan satu tuntutan terhadap defendan kedua. Kes plaintif dengan itu terbatas kepada defendan pertama. Oleh kerana plaintif berhujah bahawa tiada perniagaan B dimulakan oleh defendan pertama sehingga selepas writ difailkan, tuntutan mesti gagal in limine terhadap defendan pertama. Kausa tindakan terhadap defendan pertama tidak mungkin timbul sehingga selepas permulaan perniagaan oleh defendan pertama (lihat ms 386I, 387A dan 389B, E). C

(2) Dalam undang-undang kelirupaan, unsur-unsur nama baik, salah nyata dan kerosakan mestilah hadir. Jika pun menganggap plaintif boleh membuktikan nama baik, sekiranya defendan pertama tidak memulakan perniagaan sehingga selepas pengeluaran writ, tuntutan plaintif mesti gagal kerana tiada salah nyata dan D kerosakan. Tindakan semata-mata menukar nama tidak boleh membentuk perbuatan kelirupaan (lihat ms 389F–G).

(3) Oleh kerana perkaitan dengan ESYS-Montenay digunakan secara meluas dan diiklankan, terdapat suatu pencairan yang jelas atas nama baik plaintif dalam nama 'ServiceMaster' dan peningkatan E nama baik dalam nama ESYS-Montenay. Melalui perkaitan meluas ini, nama plaintif telah kehilangan sifat tersendiri dan plaintif tidak dapat menunjukkan nama manakah masyarakat awam lebih mementingkan dan sama ada ia mempunyai apa-apa kepentingan sama sekali. Bagaimanapun, terdapat kegagalan oleh plaintif untuk menunjukkan nama baik dalam perdagangan dan F perniagaan yang relevan iaitu persediaan perkhidmatan pengurusan dan kesihatan. Sekalipun plaintif telah menunjukkan nama baik (yang tidak didapati demikian oleh mahkamah), ia terbatas kepada bidang hawa dingin (lihat ms 391A–F).

(4) Plaintif juga telah gagal menunjukkan bahawa terdapat salah G nyata dan kemungkinan kekeliruan di mana masyarakat awam akan berpendapat bahawa defendan-defendan adalah plaintif kerana nama defendan didahului dengan huruf-huruf 'MHL'. Tambahan pula, perkataan-perkataan Service Master adalah deskriptif tentang perniagaan plaintif dan tidak mungkin H tersendiri. Maka, plaintif hendaklah menunjukkan bahawa satu 'makna sekunder' telah diperolehi di sisi undang-undang hinggakan masyarakat awam mengaitkan nama itu dengan mereka. Di mana seseorang peniaga memilih nama yang menerangkan keluaran atau perniagaannya, satu makna sekunder mestilah ditunjukkan. Untuk ini berlaku, keterangan mestilah lebih I substantial dalam ertikata plaintif mesti menunjukkan beberapa tahun penggunaan dan perniagaan yang menyebabkan masyarakat awam mengaitkan nama itu dengan plaintif. Plaintif telah gagal

menunjukkan bahawa namanya, walaupun deskriptif, telah memperolehi makna sekunder (lihat ms 391G–I dan 392A, H).

(5) Plaintif tidak menunjukkan bukti tentang kemungkinan kehilangan jualan. Malah, tiada sebarang kerugian. Plaintif tidak menunjukkan apa-apa perkhidmatan atau keluaran yang rendah mutunya oleh defendan-defendan dan tidak juga menunjukkan bagaimana terdapat hakisan nama. Maka, tiada kemungkinan kerosakan dialami oleh plaintif (lihat ms 392I dan 393A–C).

(6) Untuk berjaya dalam permohonannya untuk memadamkan tanda niaga defendan kedua, plaintif perlu memenuhi yang berikut: (a) ia adalah pihak terkilan; dan (b) sepanjang jangkamasa berterusan selama tiga tahun yang tamat pada 17 Mei 1996 (sebulan sebelum pemfailan usul pemula) tiada penggunaan dengan suci hati tanda niaga berhubung dengan barangan oleh defendan kedua atau pengguna berdaftar tanda niaga itu.

Plaintif bukanlah orang terkilan kerana tiada kerosakan yang mungkin atau yang 'praktik' kepada plaintif andainya tanda niaga itu dibenarkan kekal dalam Daftar. Tanda niaga defendan kedua didaftarkan berhubung dengan membersihkan dan mengubah suai persediaan untuk perabot dan aksesori bilik dan bahagian dalaman bangunan-bangunan. Plaintif tidak berniaga dalam perniagaan begitu tetapi adalah terlibat dalam pemasangan dan penyelenggaraan hawa dingin. Ini bermakna bahawa kewujudan tanda niaga tidak merosak ataupun mengutarakan apa-apa kemungkinan kerosakan kepada plaintif kerana tiada percanggahan dalam barangan ataupun dalam bidang kegiatan perniagaannya (lihat ms 394E–G); *Besalon International Ltd & Ors v South Strong Industries Sdn Bhd* [1997] 2 MLJ 131 dan *In the matter of the Trade Mark No 70,078 of Wright Crossley & Co* (1898) 15 RPC 131 diikut.

(7) Tinjauan plaintif gagal memenuhi kebanyakan kriteria yang dikehendaki supaya tinjauan adalah sah. Disebabkan pelbagai kecacatan dalam pengendalian tinjauan dan juga dalam cara laporannya, laporan itu patut ditolak (lihat ms 397C); *Lim Yew Sing v Hummel International Sports & Leisure A/S* [1996] 3 MLJ 7 diikut.

(8) Perisytiharan statutori yang disahkan pada November 1967 tidak disokong oleh apa-apa ekshibit lain seperti invois atau dokumen-dokumen perkapalan yang membuktikan penggunaan tanda itu di Malaysia. Perisytiharan statutori mungkin merupakan dokumen yang difailkan untuk mengatasi bantahan Pendaftar tentang kebolehdaftaran perkataan-perkataan deskriptif 'ServiceMaster' sebagai satu tanda niaga. Tiada bukti lain untuk menyokong pengataan defendan kedua bahawa ia telah menjalankan perniagaan di Malaysia sejak tahun 1964. Dalam semua keadaan dan selepas mempertimbangkan segala fakta, mahkamah berpuas hati bahawa tuntutan balas defendan kedua patut ditolak (lihat ms 397E–I dan 400D–E).]

Notes

For cases on elements of passing off, see 12 *Mallal's Digest* (4th Ed, 1996 Reissue) paras 1219–1223.

For cases on expungement, see 12 *Mallal's Digest* (4th Ed, 1996 Reissue) paras 1263–1272.

For cases on similarity in trade names, see 12 *Mallal's Digest* (4th Ed, 1996 Reissue) paras 1250–1258.

Cases referred to

Besalon International Ltd & Ors v South Strong Industries Sdn Bhd [1997] 2 MLJ 131 (folld)

Brewster Transport Co Ltd v Rocky Mountain Tours & Transport Co Ltd [1931] 1 DLR 713 (refd)

Compagnie Generale Des Eaux v Compagnie Generale Des Eaux Sdn Bhd [1996] 3 AMR 4015; [1996] 2 BLJ 519 (refd)

Crusader Oil NL v Crusader Minerals NZ Ltd [1984] 3 IPR 171 (refd)

Draper v Trist and Tristbestos Brake Linings Ltd (1939) 56 RPC 429 (refd)

Imperial Group plc & Anor v Philip Morris Ltd & Anor [1984] RPC 293 (folld)

Lim Yew Sing v Hummel International Sports & Leisure A/S [1996] 3 MLJ 7 (folld)

Reckitt & Colman Products Ltd v Borden Inc & Ors [1990] 1 All ER 873 (refd)

Reddaway v Banham [1896] AC 199 (refd)

Wright Crossley & Co, In the matter of the Trade Mark No 70,078 of (1898) 15 RPC 131 (folld)

Yomeishu Seizo Co Ltd & Ors v Sinma Medical Products (M) Sdn Bhd [1996] 2 MLJ 334 (refd)

Legislation referred to

Trade Marks Act 1976 s 46(1)(b)

Hari Ram (*Rohan Sankey* with him) (*Paul Chong & Kraal*) for the plaintiff.
Ambiga Sreenevasan (*David Oh* with her) (*Skrine & Co*) for the defendants.

Cur Adv Vult

Kamalanathan Ratnam JC:

The claims

The plaintiff filed a writ D5–22–555–95 ('the D5 suit') against the first defendant for passing off in respect of the use of the 'Service Master' trade name and sought various consequential and other injunctive reliefs. The second defendant applied to be made a party to the D5 suit. Although the plaintiff objected, the court granted the said application. The second defendant counterclaimed for a declaration that it was the sole and exclusive

owner of the name/mark 'Service Master' and for consequential injunctive and other reliefs.

The plaintiff subsequently filed originating motion No D1–21–1–96 ('the D1 suit') for the purpose of removing the second defendant's trade mark 'Service Master' from the Register of Trade Marks for non-use.

An order for consolidation of both the D5 and D1 suits was granted on 25 July 1996.

The plaintiff's case

The plaintiff was involved in the business of contracting for mechanical and electrical air-conditioning systems, and servicing, repair, energy management in commercial and institutional buildings, especially in the provision of air-conditioning systems and electrical installations. The plaintiff's business activities also covered systems upgrading and retrofitting. On 31 October 1992, the plaintiff formed a partnership with ESYS-Montenay ('ESYS'), a well-established French multi-national company with a worldwide reputation specializing in the fields of energy management and environmental management.

PW1, the executive chairman of the plaintiff, testified that the plaintiff's trade name was chosen independently of any outside influence. It was created by him. He had started his career as a school teacher and was referred to over the years as a master or tutor. The combination of his profession and his experience in the field of air-conditioning led to the creation of the name 'Service Master', that is, service with a master touch. He had suggested this name to the promoter of the plaintiff company, En Ramli bin Esa. Furthermore, PW1 testified in cross-examination that he had not visited the United States of America until 1995. He therefore did not know of the second defendant when the plaintiff's name was coined. This name was registered with the Registry of Companies and the plaintiff is currently involved in installing, servicing and maintaining air-conditioning systems for many prominent businesses throughout Malaysia. The plaintiff asserted that since its incorporation in 1989, it has established strong goodwill and reputation through its business operations involving both the government and the private sector.

The plaintiff claimed that through the adoption of the business name MHL ServiceMaster Sdn Bhd, which is virtually identical to the plaintiff's company name, the first defendant had passed off and/or attempted to pass off its business for the business of the plaintiff. It was pointed out that on or about 14 July 1994, the first defendant changed its name from Apex Pharmacy (Perak) Sdn Bhd to MHL ServiceMaster Sdn Bhd. This, it was said, was done without the consent or approval of the plaintiff. Although the plaintiff had written to the Registry of Companies to remove or delete the name of the first defendant from the Register of Companies, the Registrar had refused to do so.

It was the plaintiff's case that resulting confusion between the two similar names would potentially cause the plaintiff to suffer an actual loss with respect to the damage to its goodwill. It was pointed out that if both

parties bid for the same service contract, the party determining who the successful bidder should be, might potentially be confused between the plaintiff's and the first defendant's bids, resulting in a loss of business for the plaintiff. Further, there was a probability that in the future, the plaintiff and the first defendant might engage in a common field of activity. It was shown that even DW1 had confirmed the potential for confusion in his testimony.

The plaintiff is seeking an injunction to prevent the first defendant from using the trade name 'ServiceMaster'. It is also requesting that the trade mark M/B47426 registered by the second defendant be expunged from the Register of Trade Marks for non-use. Further, the plaintiff is also claiming costs, damages and an order for accounts of profits to be assessed by the Registrar.

The defendants' case

The first defendant's case is that the change of name on 14 July 1994 to MHL ServiceMaster Sdn Bhd was done with the consent and/or licence of the second defendant. The first defendant therefore denies the requirement of consent or approval from the plaintiff to use the 'Service Master' trade name. It is the case of the first defendant that the second defendant was the first to use 'Service Master' as a trade mark and name in Malaysia. The first defendant claims that by reason of the second defendant's alleged long use overseas and in Malaysia, the mark is distinctive of itself to the exclusion of all others. Hence the first defendant claims that the use of 'Service Master' in its trade name was not done mala fide to misappropriate the plaintiff's goodwill and reputation. The first defendant also claims that its trade name, MHL ServiceMaster Sdn Bhd, is sufficiently dissimilar to that of the plaintiff's to cause any confusion. Furthermore, the first defendant claims that the plaintiff and the defendant are in different fields of business activity.

The second defendant is counterclaiming for a declaration that it is the sole and exclusive owner of the mark 'Service Master' and the goodwill and reputation subsisting in the same in respect of the provision of support management services particularly in the area of healthcare facilities in hospitals and the like in Malaysia and the products used in relation to the same. It also seeks an injunction to restrain the plaintiff from using the 'Service Master' word or any similar variation of it as a trade mark and/or name and/or service mark in Malaysia. With regard to the origin of the name 'Service Master' the defendants say that the founding fathers of the second defendant, Marion E Wade, Robert L Wenger Sr and Kenneth H Hansen were devout Christians. The name 'Service Master' was coined from the two concepts of 'Master of Service' and 'Servicing the Master'. They saw themselves as working for God and were therefore servants of the master.

The plaintiff's case only against the first defendant

After the second defendant applied to include itself as a party, the plaintiff did not amend its statement of claim to proposition a claim against the

second defendant. The plaintiff merely filed a reply and defence to the counterclaim of the second defendant. In the circumstances, it is my judgment that the plaintiff's case is confined only against the first defendant.

Background of the first defendant

From the evidence adduced, I find that the first defendant is a wholly-owned subsidiary of MHL ServiceMaster Pte Ltd, a Singapore company. United Engineers Ltd, a Singapore based company is the holding company of a company in Singapore called Medical Hall Ltd ('MHL'). MHL ServiceMaster Pte Ltd comes under the umbrella of MHL. United Engineers Ltd also bought majority control of Apex Pharmacies of Singapore. The first defendant was formally known as Apex Pharmacy (Perak) Sdn Bhd and is a wholly-owned subsidiary of Apex Pharmacy Sdn Bhd. In 1994, United Engineers Ltd (Singapore) decided to use Apex Pharmacy (Perak) Sdn Bhd to provide ServiceMaster services and later effected a change of name from Apex Pharmacy (Perak) Sdn Bhd to that of the first defendant.

MHL ServiceMaster Pte Ltd ('ServiceMaster Singapore')

This company was formerly known as McAlister ServiceMaster (S) Pte Ltd. It commenced its ServiceMaster business in Singapore in 1988. In 1994, it changed its name to MHL ServiceMaster Pte Ltd. The word 'ServiceMaster' was always used. In October 1996, this company achieved ISO 9002 certification for its ServiceMaster services in Singapore. The extent of the ServiceMaster business done by the Singapore company is further evidenced in the documents in the common agreed bundle of documents Vol 17 (CABD 17) which consist of agreements and correspondences up to 1995 pertaining to management services in healthcare to hospitals in Singapore and to two hospitals in Malaysia.

ServiceMaster Singapore and the second defendant's presence in Malaysia

The first time ServiceMaster Singapore did business in Malaysia was when it supplied products to Apex Pharmacy Sdn Bhd in 1990. The ServiceMaster brochures were distributed in Singapore since 1988 and in Malaysia since 1990. The volume of business done in Malaysia by the first defendant and/or ServiceMaster Singapore from 1993 to 1995 was RM395,823, for 1996 it was RM3.62m and for 1997, RM23m. The invoicing for the work was done by ServiceMaster Singapore.

From 15 May 1990 onwards, there was correspondence evidencing the reputation of ServiceMaster in Malaysia. These can be found at pp 153–177 of CABD 14 and pp 43–48 of CABD 21. At CABD 14 are correspondences containing, inter alia, enquiries from various parties interested in doing business with the second defendant. This dates back to 1990. At CABD 21 are correspondences relating to privatization of Malaysian hospitals. A company called Anikatek Sdn Bhd, which is involved in the service industry covering water, sewage systems and other services, wrote to the Economic Planning Unit (EPU) under the Prime Minister's Department (letter dated 21 May 1991, p 43 of CABD 21) regarding the

privatization of non-medical services and referred to a joint venture with McAlister ServiceMaster (S) Pte Ltd. The said letter is self-explanatory of the goodwill and reputation of ServiceMaster Singapore and the second defendant in Malaysia.

Sometime in 1993, DW2 attended a tender briefing for the hospital privatization project and that was when the plaintiff came to know of ServiceMaster Singapore.

On 15 October 1993 a memorandum of understanding ('MOU') was entered into between the Land and General Group, Malaysia, Medical Hall Ltd, Singapore ('MHL') and The ServiceMaster Company, USA to tender for the privatization of hospital support services for the Ministry of Health in Malaysia. On 15 September 1994, ServiceMaster Singapore entered into an agreement for the provision of management services to The Southern Hospital, Malacca and The Southern Hospital, Batu Pahat. The Healthcare Division of United Engineers Ltd owns 51% shareholding in The Southern Hospital Malacca and Batu Pahat.

On 16 June 1994 pursuant to an enquiry, McAlister ServiceMaster (S) Pte Ltd sent to the Faber Group a letter enclosing information regarding the ServiceMaster Company after a meeting held with them. An MOU was signed in August 1994 with the Faber Group.

The second defendant

In 1929, one Marion E Wade set up a moth-proofing business. During this time, he developed carpet cleaning solutions and built a reputation for quality of service and integrity. In 1947, Wade wanted to form a larger company and together with one Robert L Wenger Sr and Kenneth N Hansen, incorporated Wade Wenger & Associates. In 1950, Wade Wenger & Associates began to licence others to use its professional cleaning systems. ServiceMaster franchises were established across USA and Canada. In 1961, Wade Wenger & Associates changed its name to Wade Wenger ServiceMaster Co. In 1964, ServiceMaster products were sold in Malaysia through the Carpet Manufacturing Company (Malaysia) Sdn Bhd. In 1967, Wade Wenger ServiceMaster Co changed its name to ServiceMaster Industries Inc. In 1986, the second defendant became a limited partnership under the name 'The ServiceMaster Co Ltd Partnership'. In 1988, the second defendant signed a licence agreement with a Singapore company named McAlister ServiceMaster (S) Pte Ltd appointing it as the master licensee of the second defendant for the region of Asia excluding Japan.

Relationship of the first defendant to ServiceMaster Singapore

It is evident that most of the business in Malaysia had been conducted by MHL ServiceMaster Pte Ltd from Singapore and that the first defendant officially commenced operations much later. Most of the business was conducted through United MHL (M) Sdn Bhd, a wholly owned subsidiary of the first defendant. Copies of invoices issued to and by United MHL (M) Sdn Bhd can be found at pp 40–44 of CABD 9. Even the plaintiff has in its submission taken the position that the first defendant had commenced business only after the commencement of proceedings. It is my finding

A that prior to this, the business in Malaysia from 1994 was in reality conducted by the Singapore company. However, the setting up of the business in Malaysia commenced after the acquisition of Apex Pharmacy (Perak) Sdn Bhd in 1994.

Since the plaintiff's claim is only against the first defendant and since
B it is the case of the plaintiff that no business was commenced by the first defendant until after the filing of this writ, I therefore hold that this claim must fail in limine against the first defendant.

The plaintiff's statement of claim sets out at para 12 the particulars of passing off, namely:

C > The defendant and/or its servants or agents have on or about 14 July 1994 changed or caused to be changed their registered name from 'Apex Pharmacy (Perak) Sdn Bhd' to 'MHL ServiceMaster Sdn Bhd' as part of the name of the defendant without the consent or approval whatsoever of the plaintiff.

Apart from the above averment, the plaintiff also states at para 19 of the
D statement of claim that the first defendant deals in identical fields. These I find are the only two facts relied on as acts of passing off.

It is in evidence that the first time that PW1 had heard of the ServiceMaster Company was at the tender briefing in October 1993 and that all the enquiries of the plaintiff only commenced after this. It is obvious to me from the evidence that the plaintiff has confused that first
E defendant with ServiceMaster Singapore. The cause of action against the first defendant could not, by the plaintiff's own admission, have arisen until after the first defendant's commencement of business. In the law of passing off, basically three ingredients must be present, namely, goodwill, misrepresentation and damage. Even assuming the plaintiff can prove
F goodwill, then if the first defendant has not commenced business until after the issuance of the writ as contended by the plaintiff, then the plaintiff's claim must fail as the second and third ingredients are not present. The sole act of changing its name cannot constitute an act of passing off. In *Crusader Oil NL v Crusader Minerals NZ Ltd* [1984] 3 IPR 171, it was held that the relevant date was not the date of
G incorporation of the defendant under the offending name, but the date it commenced activities in the public arena.

The plaintiff's failure to establish passing off

In *Compagnie Generale Des Eaux v Compagnie Generale Des Eaux Sdn Bhd*
H [1996] 3 AMR 4015; [1996] 2 BLJ 519, I had delved in depth into the ingredients necessary to establish a case of passing off. Although the words goodwill and reputation are often used interchangeably, there is in law a difference. Goodwill required business activity. Reputation is being renowned without necessarily having a business reputation.

I

(a) Failure to establish goodwill and distinctiveness in the name

The evidence necessary to establish this can be obtained from evidence relating to sales and turnover, and turnover within the jurisdiction, from evidence of advertising and the extent, nature and frequency of such

advertisements, from oral or affidavit evidence of person who have bought or have dealt in or know the plaintiff's product, from evidence relating to the number of branches or outlets for the plaintiff's products or business and their geographical spread, from evidence relating to the length of time over which the plaintiff has traded and/or advertised his products or business, and from evidence of any exhibitions or shows at which the plaintiff has promoted its product.

The evidence relied on by the plaintiff in this case to prove goodwill rested on showing, that it was incorporated on 16 March 1989, its turnover, the various air-conditioning and installation contracts it has with government agencies and other organizations, the government licences it has, its authorization to sell certain products including Carrier and its association with ESYS-Montenay.

The defendants launched a clear challenge to the plaintiff's claim to goodwill and reputation by pointing out that the evidence showed a business presence which is restricted to the air-conditioning installation and maintenance business. It does not show a goodwill and reputation in the 'Service Master' name as is required in passing off cases. In fact, under cross-examination DW1 unequivocally admitted that in respect of CABD 7 at pp 1–11 which showed that the plaintiff had appointed three dealers, the agreements showed that the plaintiff was in fact promoting the dealers' products under their own respective trade marks and not under the plaintiff's. It is therefore clear that the 'Service Master' name was not used to promote the products. Furthermore, although the turnovers are as reflected in the plaintiff's submission, yet despite being in business for so many years, the plaintiff's business showed no sign of breaking even.

I have also considered the entry of ESYS-Montenay into the fray. The plaintiff relied heavily on the joint-venture with ESYS-Montenay and pointed out that by virtue of its association with ESYS-Montenay the plaintiff has acquired a wider base in Malaysia and increased its clientele because of the international operations of ESYS-Montenay. However the Montenay report for 1994 (CABD 1 p 381) states as follows:

> The Group is present in Malaysia through *a small structure*, the 'ServiceMaster' Company, operative in the domain of the installation and maintenance of air-conditioning systems.
>
> Market interest in energy and environmental management remains limited, despite certain timid signs under government impulsion. (Emphasis added.)

It is obvious that the business through the plaintiff is not substantial by Montenay's standards. When questioned on this, PW2's chameleon-like answer was: 'It might be a small business but strategy wise it's big for us'. If I am to accept the suggestion that the plaintiff benefited with ESYS-Montenay entering into the joint-venture then there is nothing to prevent me from also accepting the defendant's argument that ESYS-Montenay in fact sought to benefit from their own name *and* the second defendant's ServiceMaster name. PW2 admitted under cross-examination that ESYS-Montenay do not use the name ServiceMaster anywhere else in the world.

A It is my finding that since by their own admission the association with ESYS-Monenay was widely used and advertised and the plaintiff gained a lot from it, there was a clear dilution of the plaintiff's goodwill in the 'ServiceMaster' name and a build up of the goodwill and reputation in the ESYS-Montenay name. No evidence was called to show how the relevant trade or public viewed the two names or to show if indeed the B public associated the name ServiceMaster with the plaintiff and no one else.

The concept of distinctiveness is explained in *The Law of Passing Off* by Christopher Wadlow (2nd Ed) at p 348 as follows:

> 'Distinctive' is a term of art in the law of passing-off and bears a meaning at variance with that in everyday use. Matter such as a name, mark or get-C up is said to be distinctive if it denotes the goods of the plaintiff to the exclusion of other traders. It is the significance which the relevant public attaches to the supposed mark which is all-important. Matter which is not relied on by the public in this way is not in law distinctive, irrespective of how novel, striking or different it may be. Conversely, matter may be distinctive in the legal sense although it is altogether unremarkable in its D own right. What is important is the function the mark serves, rather than how well it is adapted to serve it.

Therefore, by its extensive association with the ESYS-Montenay logo after the tie-up, I find that the plaintiff's name lost its distinctiveness. The plaintiff is therefore unable to show to which name the public attaches E significance and whether it still has that significance at all.

In any event, there is a failure to show goodwill in the relevant trade and business which is that of the provision of management and healthcare services. Even if the plaintiff has shown goodwill (which I do not so find), it is confined to the field of air-conditioning.

F

(b) Misrepresentation and the likelihood of confusion

In *Brewster Transport Co Ltd v Rocky Mountain Tours & Transport Co Ltd* [1931] 1 DLR 713 the court held that even if the defendants are held not to have any goodwill, the defendants' reputation was strong enough to G negative that of the plaintiff and therefore there was held to be no misrepresentation. In the case before me, I find that the plaintiff has failed to show that there is a likelihood of confusion in that the public will think the defendants are the plaintiff. I find that there is no likelihood of confusion with the first defendant because the first defendant's name is preceded with the letters MHL which stand for Medical Hall Ltd. H

The words Service Master are descriptive of the plaintiff's business and cannot be distinctive. This means that the plaintiff has to show that a 'secondary meaning' has been acquired in law such that the public associates the name with them. This is not necessary when the words are non-descriptive, for example, a fancy word like 'Vim' or 'Fab' which does not I directly describe the product. Where a trader chooses a name which describes his product or business, a secondary meaning must be shown. For this to happen, the evidence must be far more substantial in that the plaintiff must show several years of use and business which results in the

public associating the name with the plaintiff. The reason for this is that the law does not allow for a *monopoly* in descriptive terms. Lord Herschell in *Reddaway v Banham* [1896] AC 199 at pp 212–213 said:

> ... I think the fallacy lies in overlooking the fact that a word may acquire in a trade a secondary signification differing from its primary one, and that if it is used to persons in the trade who will understand it, and be known and intended to understand it in its secondary sense, it will none the less be a falsehood that in its primary sense it may be true. A man who uses language which will convey to persons reading or hearing it a particular idea which is false, and who knows and intends this to be the case, is surely not to be absolved from a charge of falsehood because in another sense which will not be conveyed and is not intended to be conveyed it is true. In the present case the jury have found, and in my opinion there was ample evidence to justify it, that the words 'camel hair' had in the trade acquired a secondary signification in connection with belting, that they did not convey to persons dealing in belting the idea that it was made of camel's hair, but that it was belting manufactured by the plaintiffs. They have found that the effect of using the words in the manner in which they were used by the defendants would be to lead purchasers to believe that they were obtaining goods manufactured by the plaintiffs, and thus both to deceive them and to injure the plaintiffs.

The principle in *Reddaway v Banham* was applied in *Yomeishu Seizo Co Ltd & Ors v Sinma Medical Products (M) Sdn Bhd* [1996] 2 MLJ 334 where VC George J (as he then was) found that 'even if "Yan Ming Jiu" in its primary meaning is descriptive of a class of medicinal wines it had come to refer in its secondary meaning to the product of the plaintiffs'. Further, this principle was also followed in *Reckitt & Colman Products Ltd v Borden Inc & Oths* [1990] 1 All ER 873 where Lord Oliver stated at p 885:

> ... even a purely descriptive term consisting of perfectly ordinary English words may, by a course of dealing over many years, become so associated with a particular trader that it acquires a secondary meaning such that it may properly be said to be descriptive of that trader's goods and of his goods alone ... .

Lord Jauncey goes on to say at p 896 that:

> ... whether such a secondary meaning has been acquired must be a question of fact.

It is my finding that the plaintiff has failed to show that its name, albeit descriptive, has acquired this secondary meaning.

(c) The likelihood of damage

To a pointed question as to whether the plaintiff has suffered any damage, PW1 answered in the negative. Clearly, therefore there has been no actual damage. The only question the court must ask is if there is a likelihood of damage. It is my finding that the plaintiff has shown no evidence of the possibility of loss of sales. In fact, there has been no loss. The plaintiff has shown no inferior services or products by the defendants nor has it shown how there can be an erosion of its name. I am not unmindful of the

A decision in *Draper v Trist and Tristbestos Brake Linings Ltd* (1939) 56 RPC 429 wherein Goddard LJ said at p 442:

> But, in passing-off cases, the true basis of the action is that the passing-off by the defendant of his goods as the goods of the plaintiff injures the right of property in the plaintiff, that right of property being his right to the
B goodwill of his business. The law assumes, or presumes, that, if the goodwill of a man's business has been interfered with by the passing-off of goods, damage results therefrom. He need not wait to show that damage has resulted: he can bring his action as soon as he can prove the passing-off, because it is one of the class of cases in which the law presumes that the plaintiff has suffered damage.

C It is my judgment that there is no likelihood of damage that the plaintiff might suffer in the instant case. Since the plaintiff had failed to establish the tort of passing off, I dismissed the plaintiff's claim.

Should the second defendant's trade mark be expunged for non-use from the
D *Register of Trade Marks*

The plaintiff referred me to s 46(1)(b) of the Trade Marks Act 1976 ('the TMA') which reads:

> (1) Subject to this section and to section 57, the Court or the Registrar may, on application by a person aggrieved, order a trade mark to be
E removed from the Register in respect of any goods or services in respect of which it is registered on the ground —
>
> ...
>
> (b) that up to one month before the date of the application a continuous period of not less than three years had elapsed during which the
F trade mark was a registered trade mark and during which there was no use in good faith of the trade mark in relation to those goods or services by the registered proprietor or registered user of the trade mark for the time being.

The persons who are aggrieved are all persons who are in some way or other substantially interested in having the mark removed, and where it is
G a question of removal from the Register, this would include all persons who would be substantially damaged if the mark remained. The grievance of the applicant must be substantial and not a merely fanciful suggestion (see *In the matter of the Trade Mark No 70,078 of Wright Crossley & Co* (1898) 15 RPC 131 at p 133).

H The plaintiff submitted that the fact that it is trading with the name ServiceMaster makes it an aggrieved party. The second defendant's alleged evidence of use in 1967 is not substantiated by any proper documents. In any event, argued the plaintiff, this alleged use is immaterial to this application for the removal of its trade mark because under s 46(1)(b) of the TMA, the relevant period of use taken into account must be a continuous period and
I not less than three years preceding the date of the application. The other alleged evidence of use by the defendants is an invoice dated 27 August 1990 for the supply of certain items for McAlister ServiceMaster (S) Pte Ltd to Apex Pharmacy Sdn Bhd. In cross-examination, DW2 testified that the

first three items, that is spot remover, auto and nursery kits were small self-contained kits that could be given as gifts to homemakers. The fourth item was a display kit for the above three items and the fifth item was a promotional guide on the use of these items. DW2 also confirmed that this sale was a mere isolated request for Apex Pharmacy to which the ServiceMaster group of companies responded. There is no evidence that the ServiceMaster trade mark appeared on these goods.

The final alleged use of the ServiceMaster name on its products was in 1995 as confirmed by DW1 in his affidavit. However, the second defendant's products were available for use only in conjunction with the services provided by the first defendant to a limited number of healthcare institutions in Malaysia. DW1 also testified that the products were not sold to customers over the counter. Even as regards such alleged use, there is no clear evidence that the registered mark ServiceMaster has been used in the said healthcare institutions in connection with the goods for which it is registered, that is cleaning and renovating preparations for room furnishings and building interiors. The above instances of use should not be regarded as sufficient use.

Hence, urged the plaintiff, the second defendant cannot be regarded as having sufficient use of the trade mark in Malaysia to entitle it to remain on the Register of Trade Marks. There is no bona fide use in good faith of the registered trade mark. The plaintiff prayed for the trade mark to be removed for non-use in Malaysia.

To succeed in its application for expungement of the second defendant's trade mark the plaintiff has to satisfy the following:

(a) it must show that the plaintiff is an aggrieved person;

(b) that throughout a continuous period of three years ending on 17 May 1996 (which is one month prior to the filing of the originating motion) there was no use in good faith of the trade mark in relation to those goods by the second defendant or the registered users of the trade mark.

The only reason given by the plaintiff that it is an aggrieved person is that it is trading with the name Service Master. In *Besalon International Ltd & Ors v South Strong Industries Sdn Bhd* [1997] 2 MLJ 131, I said at p 145:

> Anyone who can show he is in some way prejudiced by the wrongful entry qualifies as a person aggrieved. This can include, but is not limited to, a person who is carrying on trade in the same sort of goods as the articles for which the design is registered: see *Re Powell's Trade Mark* [1893] 10 RPC 195. The words 'person aggrieved' or 'prejudicially affected' have been given a wide interpretation as including all persons who have a real practical interest in the issue. This does not necessarily equate with manufacturing rights so long as the plaintiff can show that it has a real practical or genuine interest beyond that of a mere busybody: see *Re Kodiak Trade* [1987] RPC 269.

To that I would, by way of amplification, add the words of Romer J in *In the matter of the Trade Mark No 70,078 of Wright Crossley & Co* (1898) 15 RPC 131 at p 133:

> ... an applicant, in order to show that he is a person aggrieved, must show that in some possible way he may be damaged or injured if the trade mark is allowed to stand; and by 'possible' I mean *possible in a practical sense*, and not merely a fantastic view. (Emphasis added.)

In that case, Romer J held that the applicants did not show any practical damage or injury occurring, or likely to occur if the trade mark was not removed. It was not enough that the applicant was at 'loggerheads with the respondents or desire in someway to injure them'. It is my finding that the plaintiff is not an 'aggrieved person' as there is no possible or 'practical' damage to the plaintiff if the trade mark is allowed to remain in the Register. The trade mark is registered in respect of cleaning and renovating preparations for room furnishings and interiors of buildings. Therefore this trade mark registration gives the second defendant exclusive rights to use the word-mark 'ServiceMaster' in relation to cleaning and renovating preparations for room furnishings and building interiors. There is no possible or 'practical' damage to the plaintiff. The plaintiff does not trade in nor does business involving the use of cleaning and renovating preparations for room furnishings and building interiors. In fact, the plaintiff does not trade in any goods bearing the ServiceMaster name as admitted by PW1 in cross-examination. The plaintiff is involved in the air-conditioning installation and maintenance business. In the circumstances it is my judgment that the existence of the trade mark in the Trade Mark Register does not damage nor pose any likelihood of damage to the plaintiff since there is no conflict in terms of the goods as well as the field of business activity.

The plaintiff's survey evidence

In *Imperial Group plc & Anor v Philip Morris Ltd & Anor* [1984] RPC 293 at p 294, Whitford J stated that for a survey to have validity: (a) the interviewees must be selected so as to represent a relevant cross-section of the public; (b) the size must be statistically significant; (c) it must be conducted fairly; (d) all the surveys carried out must be disclosed including the number carried out, how they were conducted, and the totality of the persons involved; (e) the totality of the answers given must be disclosed and made available to the defendant; (f) the questions must not be leading nor should they lead the person answering into a field of speculation he would never have embarked upon had the question not been put; (g) the exact answers and not some abbreviated form must be recorded; (h) the instructions to the interviewers as to how to carry out the survey must be disclosed; and (i) where the answers are coded for computer input, the coding instructions must be disclosed.

With respect, I accept and adopt these criteria as being fundamental in order for survey evidence to be of any weight. The plaintiff's survey failed to meet most of these criteria as it did not include a relevant cross section of the public. The plaintiff only restricted itself to cleaning companies. The defendants do not supply their products to cleaning companies but rather, their products are used in conjunction with the

provision of services to the healthcare market. Cross-examination of DW1 was as follows:

Q: How are they available in Malaysia?

A: They are available for use in conjunction with the services provided by the first defendant. The goods are imported from the USA and are normally delivered within 30 days of the order.

Q: How are your products sold?

A: Our products are sold via contracts in place with our customers. Our contracts are of a fixed fee nature which includes all chemicals, equipment and services in the lump sum price. Our products are not sold to our customers on a per unit basis. Therefore, it is unlikely that our products would be found in any retail shop or supermarket.

The size of the plaintiff's survey is not statistically significant in that the survey was restricted only to the Klang valley. Only 13 cleaning companies were surveyed. It was also obvious under cross-examination that DW3 who did the survey, did not have any idea how many cleaning companies there were in the Klang Valley. Further there was no disclosure in the report of how the survey was carried out and how many people were involved. This evidence was only extracted under cross-examination. The totality of the answers given were not disclosed and made available to the defendants. In fact the questions and answers were not even recorded. Since the questions were not recorded this court is unable to ascertain whether they were leading questions or whether they led the person answering, into a field of speculation he would never have embarked upon, had the question not been put. Further, the instructions to the interviewers as to how to carry out the survey are not disclosed.

In the case of *Lim Yew Sing v Hummel International Sports & Leisure A/S* [1996] 3 MLJ 7, the respondent's survey was rejected by the Court of Appeal on the following grounds (at p 15):

(1) the precise instructions given by Skrine & Co to the surveyors is not in evidence;

(2) the heading 'Hummel And Device — Research Study' does not positively establish whether the trade mark being investigated was Hummel (M) or Hummel (D). The expression 'Hummel And Device' very strongly suggests that the persons interviewed were being asked about the Hummel (M) mark which was accompanied by the half moon device;

(3) the survey is not signed; and

(4) the persons who conducted the survey have not been identified.

In the same manner, I make the following observations regarding the plaintiff's survey:

(a) The precise instructions given by Messrs Paul Chong & Kraal, the plaintiff's solicitors to the surveyors are not in evidence.

(b) The heading 'Report — MHL ServiceMaster Sdn Bhd' (p 8 of CABD 8) does not indicate anything about the survey. Neither does the heading in Pt B entitled 'Summary of Review of Cleaning Companies in Malaysia Using/Providing Cleaning Products' indicate

anything about the survey. There is no mention that the second defendant's trade mark was being investigated. In fact, this heading is deceptive as it claims to be a review of cleaning companies in Malaysia. DW3 confirmed that her instructions were only to survey cleaning companies in the Klang valley.

(c) The survey is not signed.

(d) The persons who conducted the survey were not identified in the report. At trial, the plaintiff only produced DW3. It was later discovered in cross-examination that one other person was involved in the survey.

It is therefore my conclusion that due to the numerous defects in the conduct of the survey as well as in its reporting, the report ought to be rejected. I therefore has no hesitation in dismissing the plaintiff's application for expungement.

The counterclaim of the second defendant

The second defendant alleged that it had been conducting business in Malaysia since 1964. The only evidence which purportedly seeks to prove this is a statutory declaration affirmed in November 1967 in support of the second defendant's trade mark application in Malaysia (see p 2 of CABD 24). According to DW1 this statutory declaration was the only evidence of use of the trade mark registered in Malaysia. It is pertinent to note that this statutory declaration is not supported by any exhibits such as invoices or shipping documents evidencing the use of the mark.

DW1 alleged that ServiceMaster Industries Inc (predecessor to The ServiceMaster Ltd Partnership Co) started exporting goods for carpet cleaning to Malaysia soon after incorporation of the trade name 'Service Master' in the United States of America. When questioned what goods were being sold through Carpet Manufacturing Co Sdn Bhd, DW1 testified that they were confined to carpet cleaning chemicals. He further placed a restriction on the range of goods supposedly being sold in Malaysia as stated in para (2) of the statutory declaration. When questioned about Carpet Manufacturing Co Sdn Bhd and any other agencies utilized by the second defendant to market its goods from 1967 and onwards, DW1 testified that he did not have that evidence. DW1 in his testimony could not provide supporting documentation such as invoices or shipping documents as to the use in Malaysia. It seems improbable that in 1967 the second defendant, with no evidence as to its size and trade internationally, could have chosen to market its ServiceMaster carpet cleaning products in Malaysia through any entity. In my view, the statutory declaration could be a mere document filed to overcome the Registrar's objection as to the registrability of the descriptive words 'ServiceMaster' as a trade mark.

The defendants had filed in evidence an affidavit affirmed in April 1996 by the vice president and associate counsel of the second defendant stating, inter alia, it had the policy of retaining shipping and related documents for 10 years only. Hence there was no available documentation for products sold or shipped to Malaysia in 1964, the date

of registration of the trade mark. Even if this was the policy, the defendant should still be able to produce documentation from 10 years preceding the date of the writ of summons. However, when questioned about this, DW1 testified that he was not aware of any documents prior to 1995 in Malaysia. DW1 testified that its products in Malaysia are used in conjunction with the services provided by the first defendant. He further elaborated that the products are not sold to individual customers and would not be found in retail shops or supermarkets. In his examination-in-chief, DW1 testified that the defendant's products had been used only since February 1995. When asked to substantiate the fact that products presented as exh D8 were sold in Malaysia since 1995 as claimed, DW1 testified that he could not do so through any supporting documentation. With reference to its operations as at 31 December 1995, the defendant listed out its consumer and management function in each of the countries specified on p 114 of CABD 14. When asked why there were no business operations with respect to consumer goods in Malaysia as at 31 December 1995, DW1 testified that its services were not available to that market segment. He also confirmed that the products were provided to consumer groups as part of its service and concluded that there were no consumer services and products in Malaysia for 1995.

In his examination-in-chief, DW1 submitted that the second defendant company was among the top 500 companies in Fortune Magazine. He alleged that this was an indicia of generally how well known his company was. However, during cross-examination, it was ascertained that the listing of the top 500 companies in the magazine is limited to those companies within the United States of America and not the whole world. In any event, the listing of the second defendants as one of the top 500 companies, was for the year 1993.

Financial returns submitted in evidence by the defendants for their associated companies in other parts of Asia (outside of Malaysia), all indicate that there have been losses incurred by each from the time of incorporation until the fiscal years 1993/94. This evidence would indicate that there was not much of a presence of these companies in those respective markets.

According to Chang Chew Kient, the General Manager Asia of MHL ServiceMaster (S) Pte Ltd (DW2), the company known as McAlister ServiceMaster (S) Pte Ltd entered into a licence agreement with the second defendant on 28 October 1988. DW2 further testified that the second defendant appointed McAlister ServiceMaster (S) Pte Ltd as its regional licensee for the region of Asia excluding Japan. However in cross-examination, he confirmed that in cl 3 of the agreement on p 33 of CABD 16, the territory for which the licensee was licensed to use the name and trade mark of ServiceMaster and ServiceMaster processes for support management services was Singapore, Taiwan and Thailand and not Malaysia. He also went on to say that there was an option given to McAlister ServiceMaster (S) Pte Ltd to commence support management services in Malaysia. Nevertheless, when asked when this option was exercised to include Malaysia, DW2 testified that it was upon the signing

of a licence agreement between the first defendant and the second defendant. The date of the exercise of the option should be 2 April 1996 since the only licence agreement between the first defendant and the second defendant submitted in evidence was dated 2 April 1996, even though DW2 maintained that there was a prior arrangement at the end of 1995. Documentary proof of such an arrangement was not submitted in evidence.

DW2 testified that the first defendant which was formerly known as Apex Pharmacy (Perak) Sdn Bhd had only changed its name to the current name of MHL ServiceMaster Sdn Bhd on 14 July 1994. According to DW2, McAlister ServiceMaster (S) Pte Ltd also changed its name to MHL ServiceMaster Pte Ltd on or about the same time in 1994 in Singapore. Prior to that, the first defendant company had ceased its operation in April 1991 and according to DW2, it was a dormant company until July 1994. In cross-examination, DW2 confirmed that there were no ServiceMaster operations through Apex Pharmacy (Perak) Sdn Bhd until it changed its name to the first defendant in July 1994. DW1 testified that the correspondences at pp 38 and 39 of CABD 9 pertained to the privatization of hospitals in Malaysia. Nevertheless, under cross-examination, DW2 clarified that the privatization of support services had just commenced and the privatization of food services was still pending with the EPU. In cross-examination it was revealed that the alleged 'business transactions' referred to at pp 40–47 of CABD 9 were actually documents relating to administrative and consultancy fees between the second defendant and United MHL Sdn Bhd, a subsidiary of the first defendant. The purported MOU between the first defendant and Faber Group Bhd pertaining to the privatization of hospital services in Malaysia was not dated and signed. In fact DW2 testified in cross-examination that the MOU was never concluded. In his examination-in-chief, DW2 testified to the existence of correspondence pertaining to the first defendant's alleged proposal with Anikatek Sdn Bhd in Malaysia for the privatization of non-medical services of general hospitals in Malaysia. He also stated that this indicated the first defendant's presence since 1991. However, when cross-examined, DW2 confirmed that the proposal he was referring to could not have referred to the first defendant. The defendants also put into evidence correspondence from local Malaysia companies enquiring about the operation of the ServiceMaster group of companies. When asked about the outcome of these enquiries, DW1 testified that he could not comment on this. The first defendant also put into evidence advertisements in local Malaysian newspapers for the recruitment of staff for the commencement of its operations in Malaysia. They were dated December 1995 and February 1996, well after the filing of the writ of summons by the plaintiff, and went merely to show that the first defendant was still only trying to commence operations after the commencement of these proceedings.

DW2 claimed that MHL ServiceMaster Pte Lte first supplied ServiceMaster products to Apex Pharmacies Sdn Bhd in August 1990. This is verified by an invoice dated 27 August 1990. In cross-examination, DW2 testified that the products (namely items 1 to 3) were only small self-contained kits that could be given as small gifts to homemakers. Item 4

was a display kit for the above three items and item 5 was pamphlets and brochures on these items. DW2 also confirmed that to his knowledge this was the only one isolated request to which his group of companies responded.

Sivan a/l Muthusamy, the Regional Product Manager for Electrolux Commercial Products Sdn Bhd (DW3) testified that he had heard of the second defendant in 1983 when he was in the United States of America for a corporate briefing. However, in cross-examination he testified that the second defendant had no operations in Malaysia at that time. He further testified that his company sold commercial cleaning equipment under the Electrolux brand name to the first defendant since 1996. He confirmed that all these equipment carried the Electrolux trade mark and not the ServiceMaster trade mark. He also elaborated that the machines were manufactured by his Electrolux group of companies. He stated that his company would only manufacture machines under the ServiceMaster brand name intended for sale in the United States of America if there was a demand. He also said that his company did not manufacture machines for the first and second defendants for use in Malaysia.

In all the circumstances therefore and having considered all the facts, I was satisfied that the second defendant's counterclaim ought to be dismissed.

Since both the claim and the counterclaim were dismissed, I exercised my discretion and ordered that each party was to bear its own costs.

Order accordingly.

Reported by Lew Chee Seong